

TEACHERS' FUND FOR RETIREMENT
PERFORMANCE REPORT FOR MAY 2002

7/2/2002

| | Assets as of May 31, 2002 | | | *RATES OF TOTAL RETURN | | | | | | | |
|-----------------------------------|------------------------------|-----------------|-----------------|------------------------------|--------|---------------|--------|---------|--------|--------------|-----------------------|
| | EMV \$(000) | Actual Alloc | Policy Alloc | Month Ended (preliminary) | | Quarter Ended | | | | 2002 FYTD | YR Ended 6/30/2001 |
| | | | | May-02 | Apr-02 | Mar-02 | Dec-01 | Sep-01 | Jun-01 | | |
| LARGE CAP EQUITY | | | | | | | | | | | |
| Structured Growth | | | | | | | | | | | |
| Alliance Capital Management | 23,757 | 1.9% | 2.3% | -2.35% | -8.68% | -5.89% | 15.49% | -20.69% | 10.03% | -23.13% | -28.08% |
| RUSSELL 1000 GROWTH | | | | -2.42% | -8.16% | -2.59% | 15.14% | -19.41% | 8.42% | -19.00% | -36.18% |
| Structured Value | | | | | | | | | | | |
| LSV | 32,070 | 2.6% | 2.3% | 0.19% | 0.47% | 9.28% | 8.73% | -8.79% | 8.10% | 9.09% | 28.93% |
| RUSSELL 1000 VALUE | | | | 0.50% | -3.43% | 4.09% | 7.37% | -10.95% | 4.88% | -3.41% | 3.84% |
| Enhanced S&P Index (1) | | | | | | | | | | | |
| Northern Trust Global Investments | 51,297 | 4.2% | 4.5% | -0.58% | -5.91% | 0.48% | 10.54% | -14.35% | 5.69% | -11.01% | N/A |
| Strong Capital | 52,450 | 4.3% | 4.5% | -0.64% | -5.82% | 0.82% | 11.72% | -15.98% | 3.71% | -11.44% | N/A |
| Westridge Capital | 55,365 | 4.5% | 4.5% | -0.67% | -6.03% | 0.47% | 10.90% | -14.60% | 5.60% | -11.18% | N/A |
| Total Enhanced S&P Index | 159,112 | 13.0% | 13.5% | -0.63% | -5.92% | 0.59% | 11.05% | -14.96% | 5.02% | -11.19% | N/A |
| S&P 500 | | | | -0.74% | -6.06% | 0.28% | 10.69% | -14.68% | 5.85% | -11.69% | N/A |
| Enhanced Russell 1000 Index (1) | | | | | | | | | | | |
| Los Angeles Capital (Wilshire) | 53,153 | 4.3% | 4.5% | -0.59% | -4.96% | 1.45% | 10.79% | -15.41% | 6.52% | -10.17% | N/A |
| RUSSELL 1000 | | | | -0.88% | -5.73% | 0.74% | 11.11% | -15.23% | 6.31% | -11.34% | N/A |
| S&P 500 Index | | | | | | | | | | | |
| State Street - S&P 500 Index | 88,218 | 7.2% | 7.5% | -0.72% | -6.06% | 0.28% | 10.69% | -14.68% | 5.85% | -11.68% | -14.75% |
| S&P 500 | | | | -0.74% | -6.06% | 0.28% | 10.69% | -14.68% | 5.85% | -11.69% | -14.83% |
| TOTAL LARGE CAP EQUITY | 356,311 | 29.1% | 30.0% | -0.69% | -5.47% | 0.86% | 11.03% | -14.80% | 6.06% | -10.43% | -11.52% |
| S&P 500 | | | | -0.74% | -6.06% | 0.28% | 10.69% | -14.68% | 5.85% | -11.69% | -14.83% |
| SMALL CAP EQUITY (2) | | | | | | | | | | | |
| SEI | 133,088 | 10.9% | 10.0% | -4.30% | -0.64% | 2.37% | 20.00% | -20.04% | N/A | -6.60% | N/A |
| RUSSELL 2000 + 200 bp | | | | -4.27% | 1.08% | 4.48% | 21.59% | -20.29% | 14.79% | -2.02% | N/A |
| TOTAL SMALL CAP EQUITY | 133,088 | 10.9% | 10.0% | -4.30% | -0.64% | 2.37% | 20.00% | -20.02% | -5.80% | -6.58% | 1.69% |
| RUSSELL 2000 | | | | -4.44% | 0.91% | 3.98% | 21.09% | -20.79% | 14.29% | -3.82% | 0.57% |
| INTERNATIONAL EQUITY | | | | | | | | | | | |
| Int'l Large Cap - Core | | | | | | | | | | | |
| State Street | 45,374 | 3.7% | 4.0% | 0.85% | -0.12% | 1.59% | 7.71% | -15.06% | 0.60% | -6.38% | -17.93% |
| MSCI 50% HEDGED EAFE INDEX | | | | -0.34% | -0.74% | 1.26% | 8.60% | -16.41% | 0.15% | -9.07% | -17.95% |
| Int'l Large Cap - Active | | | | | | | | | | | |
| Capital Guardian | 121,469 | 9.9% | 10.0% | -0.50% | -0.66% | 0.92% | 12.46% | -17.26% | 0.85% | -7.18% | -20.14% |
| Bank of Ireland | 25,196 | 2.1% | 2.0% | -0.64% | 1.99% | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Int'l Large Cap - Active | 146,665 | 12.0% | 12.0% | -0.52% | -0.21% | 0.86% | 12.46% | -17.26% | 0.85% | -6.84% | -20.14% |
| MSCI 50% HEDGED EAFE INDEX | | | | -0.34% | -0.74% | 1.26% | 8.60% | -16.41% | 0.15% | -9.07% | -17.95% |
| Int'l Small Cap - Active | | | | | | | | | | | |
| Lazard | 26,528 | 2.2% | 2.0% | 4.64% | 3.44% | N/A | N/A | N/A | N/A | N/A | N/A |
| Wellington | 25,372 | 2.1% | 2.0% | 3.52% | 4.32% | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Int'l Small Cap - Active | 51,900 | 4.2% | 4.0% | 4.09% | 3.87% | N/A | N/A | N/A | N/A | N/A | N/A |
| SSB Broad Market Index <\$2bn | | | | 4.30% | 2.80% | N/A | N/A | N/A | N/A | N/A | N/A |
| TOTAL INTERNATIONAL EQUITY | 243,939 | 20.0% | 20.0% | 0.68% | 0.62% | 0.66% | 10.06% | -16.14% | 0.72% | -5.88% | -18.81% |
| MSCI 50% HEDGED EAFE INDEX | | | | -0.34% | -0.74% | 1.26% | 8.60% | -16.41% | 0.15% | -9.07% | -17.95% |
| EMERGING MARKETS | | | | | | | | | | | |
| Value - Active - Commingled | | | | | | | | | | | |
| Capital Guardian | 64,034 | 5.2% | 5.0% | -3.28% | -0.02% | 10.64% | 29.87% | -24.96% | 6.98% | 4.27% | -29.31% |
| MSCI EMERGING MKTS FREE INDEX | | | | -1.59% | 0.65% | 11.41% | 26.60% | -21.60% | 3.90% | 9.53% | -25.93% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | |
| Core Bond | | | | | | | | | | | |
| Western Asset | 13,387 | 1.1% | 1.1% | 0.73% | 2.64% | 0.42% | -0.15% | 4.75% | 1.37% | 8.59% | 13.40% |
| LB AGGREGATE | | | | 0.85% | 1.94% | 0.09% | 0.05% | 4.61% | 0.56% | 7.70% | 11.22% |
| Active Duration | | | | | | | | | | | |
| Criterion | 13,093 | 1.1% | 1.1% | 0.99% | 1.51% | 0.42% | -0.76% | 3.28% | 0.67% | 5.51% | 12.34% |
| LB AGGREGATE | | | | 0.85% | 1.94% | 0.09% | 0.05% | 4.61% | 0.56% | 7.70% | 11.22% |
| Index | | | | | | | | | | | |
| Bank of North Dakota | 14,268 | 1.2% | | 1.06% | 2.21% | -0.17% | -0.09% | 5.01% | 0.04% | 8.19% | 11.04% |
| BND (Match Loan Program) | 11,338 | 0.9% | | 0.48% | 0.46% | 1.37% | 1.45% | 1.43% | 1.45% | 5.29% | 5.89% |
| Total Bank of North Dakota | 25,606 | 2.1% | 1.8% | 0.91% | 1.74% | 1.21% | 0.24% | 4.19% | 0.37% | 8.52% | 9.79% |
| LB GOV/CORP | | | | 0.92% | 1.94% | -0.47% | 0.06% | 4.76% | 0.30% | 7.33% | 11.13% |

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| | | | | May-02 | Apr-02 | Mar-02 | Dec-01 | Sep-01 | Jun-01 | | |
| Core | | | | | | | | | | | |
| Strong Capital | 13,947 | 1.1% | 1.1% | 0.46% | 0.49% | -0.85% | 0.45% | 4.04% | 1.17% | 4.61% | 13.45% |
| LB BAA BOND INDEX | | | | 1.51% | 1.55% | -0.23% | 0.35% | 3.59% | 0.79% | 6.91% | 6.00% |
| Convertibles | | | | | | | | | | | |
| TCW | 12,702 | 1.0% | 1.1% | -3.02% | -3.52% | -1.90% | 12.91% | -16.04% | 4.87% | -12.99% | -13.58% |
| 1ST BOSTON CONVERTIBLE INDEX | | | | -0.96% | -1.95% | -0.16% | 7.67% | -11.01% | 4.12% | -7.10% | -11.87% |
| Timberland | | | | | | | | | | | |
| Evergreen (Wachovia) | 5,001 | 0.4% | 0.7% | 0.00% | 0.00% | 0.00% | 0.15% | N/A | N/A | N/A | N/A |
| TOTAL DOM FIXED INCOME | 83,734 | 6.8% | 7.0% | 0.09% | 0.59% | -0.27% | 2.09% | 0.42% | 1.55% | 2.94% | 6.87% |
| LB AGGREGATE | | | | 0.85% | 1.94% | 0.09% | 0.05% | 4.61% | 0.56% | 7.70% | 11.22% |
| HIGH YIELD BONDS | | | | | | | | | | | |
| Western Asset | 90,797 | 7.4% | 7.0% | -1.18% | 1.35% | 0.53% | 5.75% | -4.41% | -1.75% | 1.78% | -4.46% |
| LB HIGH YIELD BOND INDEX | | | | -0.52% | 1.56% | 1.68% | 5.78% | -4.23% | -2.29% | 4.07% | -0.96% |
| INTERNATIONAL FIXED INCOME | | | | | | | | | | | |
| Intl Core | | | | | | | | | | | |
| UBS Global (Brinson) | 64,647 | 5.3% | 5.0% | 3.80% | 3.93% | -1.52% | -3.56% | 7.80% | -2.51% | 10.45% | -7.58% |
| SALOMON NON-US GOV'T BOND | | | | 3.55% | 3.95% | -1.87% | -3.97% | 7.75% | -1.97% | 9.30% | -7.43% |
| REAL ESTATE (3) | | | | | | | | | | | |
| Heitman (JMB) | 1,033 | 0.1% | | 4.74% | 4.74% | 14.91% | -15.82% | 2.13% | 1.19% | 8.38% | 1.92% |
| Westmark (TCW) | 0 | 0.0% | | N/A | N/A | N/A | -10.72% | -4.64% | -8.63% | N/A | 25.25% |
| INVESCO | 76,117 | 6.2% | | 0.20% | 0.20% | 0.59% | 3.23% | 1.39% | 2.09% | 5.70% | 13.52% |
| J.P. Morgan | 44,661 | 3.7% | | 0.22% | 0.22% | 0.65% | 1.23% | 1.47% | 2.41% | 3.83% | 10.27% |
| TOTAL REAL ESTATE | 121,811 | 10.0% | 9.0% | 0.27% | 0.27% | 0.80% | 2.25% | 1.34% | 2.22% | 5.01% | 11.92% |
| NCREIF PROPERTY INDEX | | | | 0.55% | 0.55% | 1.67% | 1.58% | 1.75% | 2.26% | 6.25% | 11.15% |
| PRIVATE EQUITY (3) | | | | | | | | | | | |
| Brinson IVCF III | 2,087 | 0.2% | | -0.36% | -0.36% | -1.07% | 91.56% | -14.67% | -27.35% | 60.55% | -17.89% |
| Coral Partners V | 14,365 | 1.2% | | -3.28% | -3.28% | -9.51% | -11.30% | -34.09% | -1.35% | -50.51% | 19.29% |
| Coral Partners Supplemental V | 965 | 0.1% | | -0.98% | -0.98% | -2.91% | -0.92% | N/A | N/A | N/A | N/A |
| Brinson 1998 Partnership Fund | 2,499 | 0.2% | | -0.52% | -0.52% | -1.56% | -11.87% | -3.49% | -11.40% | -17.15% | -3.63% |
| Brinson 1999 Partnership Fund | 3,057 | 0.3% | | -1.78% | -1.78% | -5.24% | -11.39% | -1.32% | -7.40% | -20.07% | -4.36% |
| Brinson 2000 Partnership Fund | 4,125 | 0.3% | | -1.83% | -1.83% | -5.40% | -4.11% | -0.50% | -2.89% | -13.02% | 2.74% |
| Brinson 2001 Partnership Fund | 749 | 0.1% | | -0.19% | -0.19% | -0.58% | -1.75% | -0.12% | 1.13% | -2.81% | N/A |
| Brinson 2002 Partnership Fund | 165 | 0.0% | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Brinson 1999 Non-US Partnership Fund | 1,101 | 0.1% | | -1.17% | -1.17% | -3.46% | -0.95% | -1.98% | -3.16% | -8.45% | 2.24% |
| Brinson 2000 Non-US Partnership Fund | 981 | 0.1% | | -2.04% | -2.04% | -5.99% | 2.67% | -1.98% | -3.50% | -9.21% | -7.03% |
| Brinson 2001 Non-US Partnership Fund | 399 | 0.0% | | 0.22% | 0.22% | 0.66% | 0.66% | 0.66% | 0.66% | 2.44% | N/A |
| Brinson 2002 Non-US Partnership Fund | 137 | 0.0% | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Brinson BVCF IV | 7,514 | 0.6% | | -3.45% | -3.45% | -9.99% | -3.90% | -11.21% | -3.31% | -28.40% | -11.46% |
| InvestAmerica Lewis & Clark Fund | 82 | 0.0% | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Hearthstone | 3,527 | 0.3% | | 1.34% | 1.34% | 4.07% | 3.57% | 2.94% | 8.16% | 13.95% | 8.17% |
| TOTAL PRIVATE EQUITY | 41,752 | 3.4% | 5.0% | -2.07% | -2.07% | -6.09% | -3.96% | -15.99% | -4.17% | -27.33% | 5.92% |
| POST VENTURE CAPITAL INDEX | | | | -3.75% | -3.75% | -10.82% | 29.99% | -35.63% | 23.87% | -30.86% | -48.23% |
| CASH EQUIVALENTS | | | | | | | | | | | |
| TNT Short Term Extendable Portfolio | 22,475 | 1.8% | 2.0% | 0.18% | 0.24% | 0.48% | 0.49% | 1.03% | 1.34% | 2.44% | 5.91% |
| 90 DAY T-BILLS | | | | 0.18% | 0.16% | 0.43% | 0.64% | 1.08% | 1.12% | 2.51% | 5.90% |
| TOTAL FUND | 1,222,589 | 100.0% | 100.0% | -0.66% | -1.33% | 0.98% | 8.75% | -11.11% | 3.92% | -4.32% | -7.31% |
| POLICY TARGET BENCHMARK | | | | -0.75% | -1.53% | 0.95% | 10.23% | -12.03% | 4.61% | -4.33% | -10.37% |
| TOTAL VALUE ADDED DUE TO | | | | | | | | | | | |
| Asset Mix | | | | 0.02% | 0.09% | 0.23% | -0.51% | 0.97% | 0.02% | 0.81% | 1.30% |
| Active Management | | | | 0.07% | 0.11% | -0.21% | -0.84% | 0.09% | -0.68% | -0.78% | 2.08% |
| Total Value Added | | | | 0.09% | 0.21% | 0.02% | -1.35% | 1.05% | -0.66% | 0.02% | 3.38% |

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

***NOTE:**

Monthly returns and market values are preliminary and subject to change.
Returns are net of investment management fees.